

1 Plum Creek Road
PO Box 297
Greenville Jct., ME 04442



August 18, 2006

Catherine Carroll
Executive Director
Maine Land Use Regulation Commission
18 Elkins Lane, Harlow Building
22 State House Station
Augusta, ME 04333-0022

**Re: Plum Creek Concept Plan Application for its Lands in the Moosehead Lake Region:
Submission of Eastern Maine Development Corporation's Infrastructure Impact Analysis**

Dear Ms. Carroll:

Please find enclosed, as Appendix B of the Plum Creek's Concept Plan Application for its lands in the Moosehead Lake Region, a report prepared by the Eastern Maine Development Corporation ("EMDC"), entitled "Plum Creek Rezoning Proposal: Infrastructure and Community Impact Analysis" ("EMDC Report").

Plum Creek submits the EMDC Report to address LURC's permitting criteria, guidelines, goals, and evaluation factors, including: "impact on community services" and "special community or public benefit," which are two of the evaluation factors for determining demonstrated need; and the no undue adverse impact criterion.

The EMDC Report estimates and evaluates, by subject chapter, the impacts that would occur upon full implementation of the Plan, on housing, tourism, solid waste disposal, educational facilities, public safety services, health care facilities, transportation, and government services. The subject chapters describe, 1) existing conditions; 2) relevant Plan components; and 3) positive, neutral and negative impacts of the implemented Plan components. The chapters also propose several mitigation and planning measures to address anticipated impacts that are not already addressed in the proposed Plan. Some of the Report's principal observations, estimates, and mitigation proposals are:

Existing Conditions

- **Schools:** From 1995 to 2005, enrollment in the schools in the Plan Impact Area (Greenville, Shirley, Beaver Cove, Willimantic, Kingsbury Plantation, Jackman, Moose River, Rockwood, and 7 unorganized townships and plantations), declined by 20 to 42 per cent.



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- **Tourism:** Over the past century the Moosehead region has lost its anchor hotels, including the former Mount Kineo Hotel, with a capacity for 1000 visitors, three hotels, each with capacity for 40-60 visitors, and a number of other seasonal recreation/resort facilities. The number of visitors through the North Maine Woods gates (north of the project area) has declined in recent decades.
- **Population:** Between 1980 and 2000, the year-round population dramatically declined in Greenville and Jackman, due mainly to the out-migration of residents. Of necessity, more people are working outside their town of residence. The local population is aging. It is also losing its young people and is experiencing an in-migration of retirees.
- **Housing:** The housing trend is toward smaller household size, with more retiree, single person and single-parent households. There is a dramatic increase in the demand for seasonal housing in natural settings.

The Unorganized Territories have experienced a relatively strong housing demand. U.S. Census vacancy rates in the Impact Area are probably inflated as they include seasonal units marketed for sale and rent. There is an undersupply of 43 rental units for families needing rental housing, and an oversupply of 26 units for seniors.

- **Health Care Facilities:** The Impact Area's medical facilities, principally C.A. Dean Hospital and the Jackman Regional Health Center, are underutilized, and at risk of further downsizing. The loss or downgrading of either facility will have a profound negative effect on employment and income in the community, as the hospital is one of the Area's major employers.
- **Public Safety Services:** The greatest challenge to the fire departments at Greenville, Jackman-Moose River, and Rockwood, is to maintain an available volunteer fire fighter force, as many volunteers commute to jobs far from their place of residence. There are no substations or other departments in the Plan Area on the east side of Moosehead Lake.
- **Transportation and Traffic Conditions:** The Plan Impact Area includes: 1,400 miles of privately owned roads; 2 rural airports; 2 state arterials (Route 6/15; SR 201); one major collector road (Lily Bay Road); local roads; and a trans-Maine freight rail line (the vacation passenger line having been discontinued in 2001).

Estimated Impacts:

General Observations: The existence of substantial, but underutilized, infrastructure in the Plan Impact Area means that the proposed Plan development will require much less infrastructure investment than would be required in an undeveloped area.

The Report makes conservative assumptions to maximize estimates of potential impacts. Some of the estimated impacts may not actually occur until Plan build-out, or may not occur to the extent predicted. It



is anticipated, however, that the Plan development would help restore the Area's formerly robust tourism economy.

The Report takes into account only those conservation components that the Plan proposes as "conservation balance" for the proposed development. It does not take into account the Conservation Framework.

School Impacts: The schools can easily assimilate the projected increase in student enrollment.

Health Care Facility Impacts: The health care facilities can easily assimilate the projected increase in use. The increase will provide for a more cost-effective and improved delivery system, and will help ensure that these facilities remain in operation

Solid Waste Facility Impacts: The Plan will have no appreciable impact on future capacity or service capability of the three existing transfer stations. The Plan will shorten the capacity lifespan of the Greenville landfill. When the landfill reaches capacity, residents' solid waste disposal costs are expected to increase, to cover the higher costs of disposal at other facilities.

Tourism Impacts: The house lots in the Plan Area will help address the high market demand for seasonal housing in natural settings.

The Plan's donation of 72,000 acres of conservation, with 144 miles of new permanent public trail easements, will create a marketable tourism asset for the region, which should draw new visitors. However, there is a cost in planning and constructing trails. Plum Creek's proposed Community Fund will help defray these costs.

The Plan's two resorts would bring jobs, new special events, and new retail services as the result of an increase in the number of visitors.

As build-out of the Plan occurs, there will be an impact on town parking areas, at trailheads, on local streets, etc., that should be managed through public/private planning. The Plan's "Sustainable Tourism Guidelines" address this need by including a provision for Plum Creek's participation, as appropriate, "in community planning to provide tourism services, including ...public information and education services; and visitor management plans".

By focusing the new resort development in existing traffic corridors and near other infrastructure, by addressing visual impacts, design and architectural issues, natural resource concerns, and integrating the residential community with the new facility as much as possible, the Plan's Guidelines show how potential impacts will be controlled.

Affordable Housing Impacts: An estimated 160 affordable housing units will ultimately be needed because of the new jobs that the Plan development will bring. Permanent affordability mechanisms are needed to address the tendency for tourism to inflate housing costs.



Construction jobs will bring temporary workers and the need for rental housing.

Public Safety Impacts: An increase in population, homes, and tourism accommodations due to Plan implementation will increase the use of fire, rescue, and police services in the region.

Transportation Impacts: Increased traffic from Plan implementation will primarily affect four areas: the intersection of Route 6/15 in Greenville; the entrances to the two resort areas; and the entrance to the industrial site.

The intersection of Route 6/15 in Greenville will likely need improvements with any substantive degree of development, whether in the Plan Area, or in Greenville.

Bicycle lanes/shoulders will need to be considered in any State road reconstruction in the Plan Impact Area.

Report's Proposed Mitigation Measures

The Plan already includes multiple mitigation measures that address a number of the impacts identified in the EMDC Report. These include:

- Establishment of a Community Fund to help finance educational amenities and trail construction;
- Donation of up to 100 acres of land for affordable housing;
- Donation of land for solid waste and/or septage disposal for the town of Greenville;
- Commitment to work with Greenville to install electricity to a receiver tower in the vicinity of Big Moose Mountain;
- Designation and development of emergency helicopter landing zones and areas for trail heads and parking;
- Adoption of sustainable development and tourism guidelines for the resort zones to ensure that the development will fit harmoniously into the natural and cultural environment, and will be "sustainable" in the long term;
- Requirement that the resorts operate on a pay-as-you-go basis regarding the use of community services and infrastructure; and,
- Commitment to participate in community planning to provide public tourism information and education services, and to develop visitor management plans.

In addition to these measures, the EMDC Report recommends the following mitigation measures be included in the Plum Creek Plan:

- Payment by Plum Creek of an impact fee to the Town of Greenville to account for any reduction in the lifespan of the Greenville landfill caused by the Plan's residential development.

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- Payment by the resort developers for all resort infrastructure impact costs, whether through impact fees, community funds, property taxes, or other funding mechanisms. The Plan should state that such infrastructure cost impact funding mechanisms must be included in any subsequent resort site plan applications.
- The Plan should commit to dedicating additional resources, besides the donation of land that the Plan already proposes, to help address the projected need of up to 160 units of affordable housing units at full Plan build-out.
- The Plan should commit to a public/private planning effort by future resort and subdivision developers and emergency service providers to address increased demands for police, fire, and rescue services.
- The Plan should require that the resort site plans provide for on-site public safety sub-stations, first responder equipment, or a dry hydrant system. (The availability of this equipment throughout the region through a service agreement could elevate the entire region's readiness and response capabilities.)

The EMDC report provides comprehensive insight into the anticipated infrastructure impacts (both positive and negative) resulting from Plan implementation. Plum Creek has been carefully reviewing EMDC's estimated infrastructure impacts, and its recommended mitigation measures. Upon further study, Plum Creek anticipates including in its Plan many of EMDC's proposed recommendations.

We look forward to your review of the EMDC Report and the other materials submitted herewith. We remain committed to working collaboratively with LURC and other stakeholders.

Sincerely,

Luke Muzzy
Plum Creek Timber Company
Senior Land Asset Manager

Encs.